

1 decision makers and participants to understand what's
2 going on and what's really driving the debate. So if
3 this method became common, debate would be much more
4 fruitful. So let's argue about the stuff that really
5 matters and do so with publicly available data and
6 explicit methods. Thank you very much.

7 MR. MEDFORD: Thank you.

8 Mr. Griffith?

9 MR. GRIFFITH: Thank you for having
10 me here today. My name is Charles Griffith. I'm the
11 Clean Vehicles and Fuels Director for the Ecology
12 Center. We're based just west of here in Ann Arbor,
13 Michigan. On behalf of the Ecology Center, I'm pleased
14 to be here today to provide our support for the
15 proposed rulemaking for light-duty vehicle. The
16 Ecology Center has for many years been an advocate for
17 strong fuel economy standards for cars and light
18 trucks, but we have also advocated that such standards
19 be developed in a way that helps advance new
20 investments in U.S. manufacturing, protects jobs, and
21 fairly distributes the costs across the industry. We
22 believe this approach is the best way to achieve a
23 sustainable policy that can build public support,
24 minimize negative impacts, and also protects the
25 environment and improves energy security.

1 The Ecology Center committed itself
2 to these ideals when it created a special project a few
3 years ago we call the Green Machines Tour, which was
4 aimed at building public awareness about the many
5 positive benefits of new investments in advanced fuel
6 economy technologies. And we focused on the auto
7 producing region here in the Midwest and spent many
8 hours on the road talking with community members, union
9 leaders, elected officials, et cetera, about the fuel
10 efficient technologies that were either already being
11 used in the vehicles that were being produced or that
12 were on the drawing boards and how those technologies
13 were helping to stimulate new economic activity in
14 their communities. We identified billions of dollars
15 in new or planned investments, and the creation or
16 retention of many thousands of auto sector jobs. We
17 also discussed with people that we met with how new
18 policies to require improved fuel economy could help
19 ensure even greater opportunities for new jobs and
20 economic development in this critical auto sector.

21 Without exception, the people we
22 talked with were in support of advancing new fuel
23 economy policies. They did, however, want assurances
24 that the new rules would be developed in a way that was
25 fair for their community and for their industry, and

1 that best protected existing jobs in their communities.

2 The Ecology Center believes that the
3 EPA and NHTSA proposed rules meet these expectations
4 in their unified proposed rulemaking. One key aspect
5 of these rules was the attribute-based system for
6 determining fuel economy standards. This approach
7 ensures that fuel economy progress will be made across
8 the broad spectrum of vehicle types and sizes, rather
9 than just through downsizing or through the efforts of
10 certain manufacturers. In the past, the fleet average
11 approach has tended to put full-line manufacturers with
12 market share in the larger vehicle segments at a
13 significant disadvantage. Now all manufacturers will
14 share the burden of improving the fuel economy of their
15 vehicles. The Ecology Center also believes that using
16 the vehicle footprint attribute is the most preferable
17 from an environmental and safety perspective compared,
18 for example, to a weight-based approach. Another key
19 aspect of the new rules is the anti-backsliding fuel
20 economy provisions in the NHTSA rule for domestically-
21 manufactured vehicles. This provision ensures that
22 both domestic and foreign made vehicles by a particular
23 manufacturer meet minimum fuel economy targets, thus
24 helping to protect domestic jobs, auto jobs. A policy
25 that inadvertently resulted in greater imports of

1 foreign-made vehicles to achieve the standard would
2 certainly not achieve the goal of encouraging greater
3 production of fuel-efficient vehicles here in the U.S.
4 and would result in unnecessary job losses for American
5 workers.

6 While not the subject of this
7 rulemaking, the Ecology Center also supported the
8 financial assistance provided by this administration,
9 and the Congress for that matter, for the production of
10 advanced technology vehicles. This assistance will be
11 critical in securing the significant capital financing
12 that will be required for the new technology
13 investments needed to meet the new standards. This
14 support is even more critical given the current
15 economic crisis.

16 The Ecology Center would like to
17 comment today on the Advanced Technology Vehicle
18 Credits Provision in the proposed rule, aimed at
19 incentivizing early commercialization of electric
20 vehicle technologies. And while we are supportive of
21 the general intent of the proposed credits, like
22 several of my colleagues here this morning, we are
23 concerned that the combination of both a multiplier and
24 a zero grams/mile CO2 value for electric propulsion may
25 be overly generous and could unfairly skew a

1 manufacturer's compliance obligations. We also
2 understand that the intent is for use of these
3 provisions only in the 2012 to 2016 time frame, but are
4 also concerned that these credits could become
5 increasingly part of a firm's compliance obligations
6 toward the end of the compliance period when the
7 credits would be scheduled to end. It would seem to
8 make more sense to phase-down these credits if they're
9 provided in a manner similar to the dual-fuel vehicle
10 credits. In general, however, we believe that more
11 work is needed to study both the potential effect of
12 this proposed provision on compliance and achieved
13 emission levels, as well as the way the credits are
14 structured, including their timing.

15 We hope to address other specific
16 issues at a later date in our written testimony.

17 But in summary, we'd like to say
18 that the Ecology Center supports the proposed rules and
19 believes that they achieve the desired balancing of
20 interests for fairness and cost-effectiveness, while
21 also requiring significant and meaningful reductions of
22 CO2 emissions and petroleum use. We do support
23 additional policy efforts in the future for the
24 transportation sector overall such as policies to
25 reduce the carbon content of fuels and to reduce the

1 travel demand for passenger vehicles. It is our hope,
2 however, that these new rules can help to set the U.S.
3 automobile industry on a new course for success at
4 least in terms of improved fuel economy. Thank you.

5 MR. MEDFORD: Thank you for your
6 testimony.

7 Mr. Shaw?

8 MR. SHAW: Thank you for allowing me
9 to testify today. I am Jody Shaw, manager of Technical
10 Marketing and Product Research for U.S. Steel, the
11 largest U.S.-based integrated steel maker and a
12 significant supplier to the major North American
13 vehicle makers. Our objective is to grow and preserve
14 the vital market and maintain steel participation in
15 the vehicle. I want to make a case why this objective
16 is also good for the goals of the EPA and NHTSA, and
17 how steel technology can help to reduce emissions
18 associated with vehicles.

19 The core of my message today is that
20 steel can play an important role in reducing the energy
21 consumption and CO2 emissions in all phases of a
22 vehicle's life, the manufacturing phase, driving phase,
23 and end-of-life recovery. Over the past few decades
24 working with our automotive customers I have seen a
25 remarkable evolution of both the materials we supply